

## SGLI CHANGES

Your Servicemen's Group Life Insurance (SGLI) will be changing effective 1 September 2005. The changes can be found within the Defense Supplemental Appropriations Act (DSAA) enacted on May 11, 2005. The relevant changes are as follows:

1. The amount of coverage available under SGLI is increased to \$400,000 from \$250,000. Further, the increment allowed for decreased coverage has been changed from \$10,000 to \$50,000.
2. Notice and consent of the servicemember's spouse is required if the servicemember elects not to be insured or to be insured in an amount less than the maximum amount of coverage under SGLI. DSAA also requires consent of the spouse if the servicemember wishes to designate a beneficiary other than the spouse.
3. Single servicemembers who elect not to be insured or insured in an amount less than the maximum amount provided, will have notice provided to any person designated by the member as a beneficiary or as the member's next-of-kin for the purpose of emergency notification.<sup>1</sup>

What do all of these changes mean for the servicemember? Aside from more money for your beneficiaries and specific notice and authorization requirements, servicemembers may need to change provisions or portions in their will. The extra \$150,000 is a substantial sum of money that the servicemember could elect to be held in trust for the benefit of a child or children. If the servicemember elects this option, it is important to verify the language found on your SGLI form (SGLV 8286). If a portion or all proceeds of the SGLI are to be held in trust, the principal section of your SGLV 8286 MUST read as follows:

- "My Trustee, to fund a Trust established in my last will and testament for the benefit of (my children/my son, John Doe/my sister, Jane Doe, etc)."

It is imperative that this language appears word for word on the SGLV 8286. Otherwise, there may be issues in funding your trust. If you elect to fund a trust with the proceeds of your SGLI, you must create a trust in your Last Will & Testament.

As previously mentioned, these changes will take effect 1 September 2005 and terminate on 30 September 2005. Current proposed legislation extends these changes with the exception of the consent requirement for married servicemembers. If you have any questions or need to create or update your will, contact the Stuttgart Legal Center, located on Kelley Barracks, Building 3312 at DSN: 421-4152 or CIV: 0711-729-4152.

---

<sup>1</sup> Full text of DSAA can be obtained at <http://www.govtrack.us/congress/billtext.xpd?bill=h109-1268>